

**NORTHEAST UNION FIRE DISTRICT**  
**Marion, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2010**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

Annual Financial Statements  
As of and for the Year Ended December 31, 2010

**C O N T E N T S**

	<b>Statement</b>	<b>Page No.</b>
<b>Accountant's Compilation Report</b>		2
<b>Basic Financial Statements:</b>		
Government-Wide Financial Statements:		
Statement of Net Assets	A	4
Statement of Activities	B	5
Fund Financial Statements:		
Governmental Fund:		
Balance Sheet	C	6
Statement of Revenues, Expenditures and Changes in Fund Balances	D	7
Notes to the Financial Statements		9
	<b>Schedule</b>	<b>Page No.</b>
<b>Required Supplemental Information:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and And Actual - General Fund	1	15

**M. CARLEEN DUMAS**  
**Certified Public Accountant**  
**369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726**

**Accountant's Compilation Report**

BOARD OF COMMISSIONERS  
NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

I have compiled the accompanying financial statements of the governmental activities and major fund of the Northeast Union Fire District (the "District") as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The budgetary comparison information on page 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

Management has not presented the Management's Discussion and Analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

/s Carleen Dumas  
Calhoun, Louisiana  
June 1, 2011

**Member of the American Institute of Certified Public Accountants**  
**Member of the Society of Louisiana of Certified Public Accountants**

## **BASIC FINANCIAL STATEMENTS**

**Statement A****NORTHEAST UNION FIRE DISTRICT**  
Marion, Louisiana**STATEMENT OF NET ASSETS**  
December 31, 2010**GOVERNMENTAL  
ACTIVITIES****ASSETS**

Cash	\$148,395
Property tax receivable	163,030
Capital assets, net	<u>595,620</u>
TOTAL ASSETS	<u>907,045</u>

**LIABILITIES**

Accounts payable	136
Deferred revenue	<u>164,201</u>
TOTAL LIABILITIES	<u>164,337</u>

**NET ASSETS**

Invested in capital assets	595,620
Unrestricted	<u>147,088</u>
TOTAL NET ASSETS	<u><u>\$742,708</u></u>

See accompanying notes and accountant's compilation report.

**Statement B****NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana****STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>Expenses - public safety - fire protection</b>	<u>\$78,581</u>
<b>General revenues:</b>	
Property taxes	129,846
State fire insurance rebate	8,773
Other income	<u>43</u>
Total general revenues	<u>138,662</u>
<b>Change in net assets</b>	60,081
<b>Net assets - beginning</b>	<u>682,627</u>
<b>Net assets - ending</b>	<u><u>\$742,708</u></u>

See accompanying notes and accountant's compilation report.

**Statement C**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND  
December 31, 2010

GENERAL  
FUND

**ASSETS**

Cash	\$148,395
Property tax receivable	<u>163,030</u>
TOTAL ASSETS	<u><u>\$311,425</u></u>

**LIABILITIES AND FUND BALANCES**

## Liabilities:

Accounts payable	\$136
Deferred revenue	<u>164,201</u>
Total liabilities	<u>164,337</u>
Fund balance - unreserved	<u>147,088</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$311,425</u></u>

**Reconciliation of the Balance Sheet of Governmental Fund****To the Statement of Net Assets:**

Fund balance - unreserved - General Fund	\$147,088
Amount reported for net assets of governmental activities in the Statement of Net Assets (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	<u>595,620</u>
Net assets of governmental activities (Statement A)	<u><u>\$742,708</u></u>

See accompanying notes and accountant's compilation report.

**Statement D**

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
For the Year Ended December 31, 2010

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Property taxes	\$129,846
Intergovernmental revenues - state fire insurance rebate	8,773
Other income	43
Total revenues	<u>138,662</u>
<b>EXPENDITURES</b>	
Public safety - fire protection:	
Current:	
Operating services	14,825
Materials and supplies	4,540
Other	3,395
Capital outlay	23,964
Total expenditures	<u>46,724</u>
<b>NET CHANGE IN FUND BALANCE</b>	91,938
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>55,150</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$147,088</u></u>

(Continued)

See accompanying notes and accountant's compilation report.



NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Contd.)  
For the Year Ended December 31, 2010

GENERAL  
FUND

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund to  
the Statement of Activities:**

Net change in fund balance - General Fund	\$91,938
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	<u>(31,857)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$60,081</u></u>

(Concluded)

See accompanying notes and accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

## INTRODUCTION

The Northeast Union Fire District was created by the Union Parish Police Jury on October 7, 1997, as authorized by Louisiana Revised Statute 40:1494. The district is governed by a five member board appointed by the Union Parish Police Jury. Board members serve terms from two to three years without benefit of compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district. The district has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Northeast Union Fire District is considered a component unit of the Union Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Northeast Union Fire District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Northeast Union Fire District has only one governmental fund.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and  
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the district.

The Northeast Union Fire District reports the following governmental fund:

**General Fund**

The General fund is the general operating fund of the district and accounts for all financial resources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

**C. Deposits**

Cash includes amounts in noninterest-bearing checking account.

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

**D. Receivables**

Property tax receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The district levied 7.50 mills on property within the boundaries of the district for maintenance and operation of the district for the year ended December 31, 2010.

**E. Capital Assets**

Capital assets, which include buildings, vehicles, and equipment are reported in the governmental activities column in the government-wide financial statements. All of the district's capital assets are capitalized at historical cost. The Northeast Union Fire District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets except construction in progress are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Buildings	20-40 years
Vehicles	5-15 years
Equipment	10 years

**F. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. At December 31, 2010, the district's governmental fund balance was unreserved and undesignated.

**G. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND  
ACCOUNTABILITY**

**Budget Information**

A preliminary General Fund budget for the ensuing year is prepared by the board of commissioners in December of each year on the modified accrual basis of accounting. The budget is then adopted by the board during the regular December meeting. The budget is established and controlled by the board of commissioners at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not used by the district. All changes in the budget must be approved by the board of commissioners.

Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**3. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2010, the district has cash (book balances) as follows:

Non-interest bearing checking account	<u>\$148,395</u>
---------------------------------------	------------------

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash and investments (bank balances) at December 31, 2010, are \$149,522, and are fully secured from risk by federal deposit insurance.

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2010, is as follows:

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Notes to the Financial Statements

	Balance at January 1, 2010	Increases	Decreases	Balance at December 31, 2010
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$7,682	\$17,794	(\$25,476)	NONE
Capital assets being depreciated:				
Buildings	218,495	25,476		243,971
Vehicles	437,190			437,190
Equipment	188,539	6,170		194,709
Total capital assets being depreciated	844,224	31,646	NONE	875,870
Less accumulated depreciation for:				
Buildings	34,045	6,065		40,110
Vehicles	123,099	30,306		153,405
Equipment	67,286	19,449		86,735
Total accumulated depreciation	224,430	55,820	NONE	280,250
Total assets being depreciated, net	619,794	(24,174)	NONE	595,620
Total assets, net	<u>\$627,476</u>	<u>(\$6,380)</u>	<u>(\$25,476)</u>	<u>\$595,620</u>

Depreciation expense of \$55,820 for the year ended December 31, 2010 was charged to the public safety - fire protection governmental function.

## 5. RISK MANAGEMENT

The district purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's compilation report.

**REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE**

See accountant's compilation report.

NORTHEAST UNION FIRE DISTRICT  
Marion, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended December 31, 2010

	Budgeted .....Amounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$130,000	\$130,000	\$129,846	(\$154)
Intergovernmental revenue - state fire insurance rebate	9,750	9,750	8,773	(977)
Other income			43	43
Total revenues	<u>139,750</u>	<u>139,750</u>	<u>138,662</u>	<u>(1,088)</u>
<b>EXPENDITURES</b>				
Public safety - fire protection:				
Current:				
Operating services	35,700	33,700	14,825	18,875
Materials and supplies	32,000	20,000	4,540	15,460
Other	1,750	1,750	3,395	(1,645)
Capital outlay	<u>25,000</u>	<u>18,000</u>	<u>23,964</u>	<u>(5,964)</u>
Total expenditures	<u>94,450</u>	<u>73,450</u>	<u>46,724</u>	<u>26,726</u>
<b>NET CHANGE IN FUND BALANCE</b>	45,300	66,300	91,938	25,638
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>55,327</u>	<u>55,327</u>	<u>55,150</u>	<u>(177)</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$100,627</u>	<u>\$121,627</u>	<u>\$147,088</u>	<u>\$25,461</u>

There was one budget amendment during the year ended December 31, 2010.

See accountant's compilation report.